

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6212**

**BILL NUMBER:** HB 1414

**NOTE PREPARED:** Jan 9, 2011

**BILL AMENDED:**

**SUBJECT:** Medicaid Coverage of Mental Health Services.

**FIRST AUTHOR:** Rep. Brown C

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires partial hospitalization and outpatient mental health services to be covered under Medicaid, and specifies that reimbursement to licensed clinical addiction counselors for these services must be at a rate consistent with the rate of reimbursement paid to similarly educated professionals providing the same service.

(The introduced version of this bill was prepared by the Commission on Mental Health.)

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** FSSA has reported that this bill would have a fiscal impact depending on how many addiction-only partial hospitalization programs might be created and subsequently begin billing Medicaid as a result of the bill. However, the extent of the impact has not been determined at this time. The Indiana Professional Licensing Agency (IPLA) reported that there are 340 licensed clinical addiction counselors.

Medicaid is jointly funded by the state and federal governments. The effective state share of program expenditures is approximately 34% for most services. Most Medicaid medical services are matched by the effective federal match rate (FMAP) in Indiana at approximately 66%. Administrative expenditures with certain exceptions are matched at the federal rate of 50%. Federal ARRA enhanced Medicaid stimulus funding will be available to the state until June 30, 2011.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** FSSA, OMPP.

**Local Agencies Affected:**

**Information Sources:** FSSA.

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